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ABSTRACT

Four types of interinstitutional arrangements in higher education are described, and research results on one type (merger) are presented. A continuum of cooperative endeavors are considered: voluntary cooperative agreements, formalized consortiums, federations, mergers, and closings. The objective of the research was to determine conditions leading to a particular merger and the effects of the merger on the perceptions, attitudes, and experiences of the faculty and administrators of the two public institutions involved. In addition to reviewing documents and observing college staff, questionnaire responses were obtained before and after the merger from 130 faculty members and 30 administrators of the two institutions. While both schools favored merger, each institution was concerned about its future role in the merged organization. One feature of the pre- and post-merger environment was organizational ambiguity. Delay in resolving ambiguities and inequities negatively affected members of the "acquired" or "less dominant" college, resulting in dissatisfaction with the merger and with their jobs, anxiety, and role tension. A conceptual model of the stages of the merger process is outlined, with attention to objective realities, subjective perceptions, psychological responses, and organizational and individual consequences. (SW)

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THE ORGANIZATIONAL AND HUMAN IMPLICATIONS OF MERGER

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THE ORGANIZATIONAL AND HUMAN IMPLICATIONS OF MERGER

Joan B. Cannon

Higher Education today is experiencing what might be called a "major turning point" or "crisis" in its life cycle. Gone are the good old days of growing student enrollments, rapid expansion, faculty mobility, large endowments and proliferation of academic programs. Vulnerable to the realities of financial cut-backs, diminishing enrollments, program obsolescence, layoffs and terminations, institutions are responding to a period in history characterized by a 3 R Configuration, namely, "Reduction, Reallocation and Retrenchment" (Mortimer & Tierney, 1979). The manner in which institutions respond and adapt to these changing forces may very well contribute to their continued growth, existence, stagnation and even demise.

Managing for survival in a reversed historical phase demands that attention be given to a number of strategies of organizational change available to institutional leaders and planners. Organizational change may take a variety of forms and, as Peterson (1974) suggests, may best be conceptualized along a Tripartite Organization Continuum of Cooperation --- Coordination --- Unitary Arrangements.

Figure 1

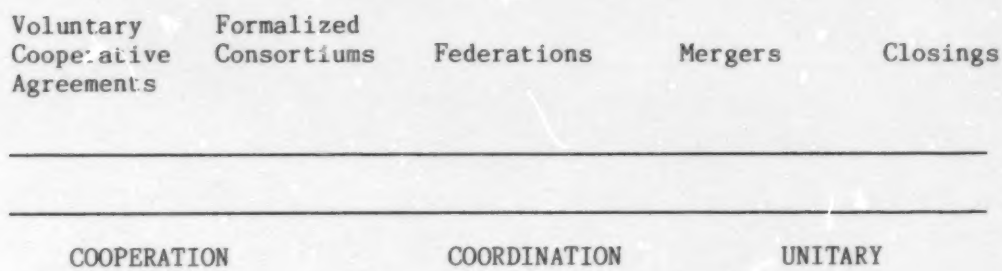
Tripartite Organization Continuum

Voluntary Cooperative Agreements	Formalized Consortiums	Federations	Mergers
COOPERATION	COORDINATION		UNITARY

As shown in Figure 1, the Tripartite Organization Continuum is comprised of four specific types of interinstitutional arrangements: (1) Voluntary Cooperative Agreements (Hampshire Inter-Library Center), (2) Formalized Consortia (Five Colleges in Western Massachusetts), (3) Federations or Cluster Colleges (Claremont College in California), and (4) Mergers (Eisenhower College and Rochester Institute). These arrangements represent the varying degrees to which institutions of higher education engage in cooperative endeavors. To this list might be added the option of institutional closings. Recent evidence suggests that closures may be an equally viable alternative to organizational survival strategies (O'Neill & Barnett, 1980; Miller & Erwin, 1982). Hence, Figure 2 illustrates a complete pictorial representation of the Tripartite Organization Continuum from a "life --- death" transition perspective.1

Figure 2

Revised Tripartite Organization Continuum



1 For the purposes of this paper, an analysis of organizational arrangments will be limited to those identified in Figure 1. Persons interested in the option of Closure should refer to the literature cited above.

Voluntary Cooperative Agreements

At one end of the organization continuum there are institutional voluntary cooperations, sometimes known as affiliations. Such an arrangement enables participating institutions to establish reciprocal agreements which may be either unrestrictive or restrictive in character. For example, an agreement may provide unlimited opportunities for cooperation or it may simply provide a specific interchange of physical facilities and/or academic programs. Clearly, the most significant features of this cooperative arrangement are its voluntaristic nature and less formalized structure. Affiliated institutions avoid problems of institutional identity and autonomy because under agreement their identities, charters, powers and corporate structures remain intact. Arrangements of this type exist as long as cooperating institutions benefit from the relationship. The absence of contractual ties enables either party to sever the relationship should the other institution find itself in financial difficulties (Bugliarello & Urrows, 1976).

Consortia

The consortium movement has existed as an interinstitutional arrangement in American higher education for more than fifty years. Formalized consortia, also known as extended families, rank a step higher on the organization continuum. Coordination manifests itself when two or more institutions join together to formally share programs, services, facilities, students and staff. The works of Moore (1968), L. Patterson (1971) and F. Patterson (1974) provide detailed information concerning the characteristic features of this arrangement as well as demonstrate the different meanings and perspectives associated with the term "consortium." Two

factors which serve to distinguish formalized consortia from other types of interinstitutional arrangements are: (1) the continuing tendency of member institutions to pursue autonomous directions, and (2) the tendency of collaborators to leave governance in the hands of institutional presidents, thereby assuring a preservation of institutional identity and autonomy (F. Patterson, 1974).

Federations

Federations or cluster colleges represent a more extreme form of coordination. Historically regarded as an innovative model of change, this strategy has provided a plan that has helped to alleviate some of the problems confronting the larger university ad small liberal arts college. It has also facilitated an institution's ability to adopt new ways to structure educational experiences and create new academic practices. "Subcolleges" and "federated colleges" have been viewed as structural mechanisms which enable institutions to share resources, expand offerings and simultaneously reduce operating costs and areas of duplication. The subcollege form, by its very nature, is given greater institutional identity and autonomy in terms of name, programs, faculty and facilities. This becomes evident when this form is viewed as a small college within the context of a large organization. Federated colleges, likewise, unite to share their resources. However, it is important to note that in this arrangement several methods have been used to effectuate collaboration. An interlocking board of trustees is one method for joining together the separated colleges. In this instance, some persons from the entire

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federation are appointed to serve on the boards of all participating institutions. The superimposition of a central administration upon the separate institutional administrations is another method employed.Finally, the implementation of a federation-wide graduate school has been used to coordinate courses, programs and faculty among the various colleges. Even though formal as well as informal structures have been used to facilitate collaboration and cooperation between the separate colleges and subunits, it is important to stress that the autonomy and identity of each participating member remains intact (Gaff, 1970).

Merger

From the perspective of the organization continuum, merger is an extreme form of interintitutional arrangement. Its extremism is suggested in the definition of the term itself. On the one hand, merger means to join together, combine, and unite; on the other hand, it means to lose identity through absorption and consolidation. Irrespective of the usage of the term "merger," the notion of union between two or more existing institutions is prominent. However, through consolidation institutions undergo marked organizational changes which are in drastic contrast to those of institutions engaged in cooperations and coordinations. For example, the most salient feature of merger is the requisite surrender of the institutional charters of one or both institutions. In consequence, there emerges one board of trustees, one administration, one faculty and one organizational structure for the newly created system. Hence, through the process of reorganization each educational institutions loses its individual identity and autonomy and becomes an integral part of the new system. The very nature of merger then attests to its extremism.

One of the major areas of concern noted in the literature relates to the variety of terms interchangeably used to describe this phenomenon of organizational change. Some researchers use the term "merger" while others refer to "consolidations," "affiliations," absorptions," and "acquisitions" for the same phenomenon. Gaff (1970) reports that merger is a combination of two or more existing institutions of higher education into a single educational organization. Kumpal (1971) defines merger as "an event of organizational change wherein the object of change is to create one system from two previously distinct entities" (p.103). Merger, as used in the business field, is defined as "the acquisition of one corporation by another, in which one survives while the other loses its corporate existence." In many cases, merger may involve the combination of many institutions into a single system, such as the SUNY system, whereas in cases similar to the Case Western Reserve situation only two institutions participate in the merger process.

The fact that a number of diverse terms may be employed to define this phenomenon encourages the belief that members of the merging institutions may view and interpret this event in a variety of ways. Differing interpretations may result in unnecessary and often painful misunderstandings and experiences. As Majaro (1972) so aptly puts it:

> "Managers normally talk about mergers and acquisitions almost interchangeably. As the words imply, the merge is ostensibly a marriage between two equal parties. An

> acquisition is a total or partial purchase of an enterprise by another company, which implies that one of the parties is dominant--and if a controlling interest has been acquired, it is tantamount to occupation--a conquest. The way in which the victims will be treated depends entirely on the good sense, the mood, the decency and the competence of the occupation forces. Cynics would say that in practice there is not such phenomenon as a merger--that all mergers are acquisitions under a guise of marriages between equals. Many acquisitions, in fact, are made to look and sound like mergers--mergers are never made to sound like acquisitions. Mergers enjoy great social acceptability, and can be made to look benevolent and highly beneficial to the community and to the consumer. Acquisitions, by their very acquisitive title,are the more difficult to justify in social terms."

As exemplified in subsequent sections of this paper, the interchangeable use and meaning of terms depicting merger has implications for the manner in which members of the merging organizations experience the event. A review of the literature on mergers confirms such differential interpretations. Bugliarello and Urrows (1976) report that in the case of the Polytechnic Institution of New York merger "... merger is a misnomer...(some) are sure that what took place...should be more appropriately called a takeover or shotgun wedding" (p. 99). Chambers (1981) provides additional evidence on this theme by citing the mergers of Western College wih Miami University of Ohio and Hamilton and Kirkland College in New York. In the former case, members of the administration at one institution defined the arrangement as an affiliation while their administrative colleagues viewed it as an acquisition. The Hamilton-Kirkland College merger evoked similar misinterpretations concerning the legal and common meaning of the term "consolidatin" which nearly resulted in court action.

More recently, merger has been defined as a "generic term used to describe a range of unique legal arrangements whereby separate colleges are formed into a single unit" (Chambers, 1981, p. 89). The four legal arrangements are: (1) consolidations, (2) dissolutions/acquisitions, (3) interlocking corporations, and (4) a form resembling a holding company. Figure 3 illustrates the four legal patterns of merger according to their degree of structural flexibiity.

Figure 3

Contractual Patterns of Merger

Holding Company Form	Interlocking Corporations	Dissolutions/ Acquisitions	Consolidations
Most Flexible			Least Flexible

As can be seen, consolidations represent the most rigid form of merger primarily because prior corporate identities cease to exist and all assets and liabilities of the merger pair are inherited by the successor organization. Somewhat akin to consolidations are dissolution/acquisition mergers; in this pattern, one institution dissolves and loses its corporate identity while its assets and liabilities are selectively transferred to the other institution whose corporate identity and vested interests remain preserved. Interlocking corporations and holding company forms are the most flexible of all since institutional identites are perpetuated in the course of creating a union. While Chamber's (1981) discussion of the four legal patterns of merger clearly helps to alleviate much of the

confusion associated with the term "merger," it has yet to be determined whether such clarification minimizes and eliminates the use of interchangeable patterns of merger by individuals involved in the process.

Historically, there have been a number of mergers between institutions of higher education. Carnegie-Mellon, Harvard-Radcliffe, Boston College and Newton College of the Sacred Heart, Pace University-College of White Plains, Boston State College-University of Massachusetts are some examples. Mergers have been gaining acceptance as a viable strategy of change in all segments of higher education. Fadel and Carter (1980) report that 65 mergers of independent institutions occurred between 1970 and 1979 and 19 colleges shifted to public control. Corroboration of these data is provided by O'Neill and Barnett (1980) who state that 140 private institutions merged or closed in this past decade despite the fact that 1970 to 1980 was a time of high enrollments. Millett (1976) provides case study evidence of ten mergers occurring between 1962 and 1975. More importantly, it is expected that the rate of mergers, acquisitions and closures will increase in this decade due to the anticipated 5 to 15 percent decrease in undergraduate student enrollments. The impact of declining student enrollments is expected to be the greatest in the Midwest, Northeast and Mid-Atlantic States and to affect not only institutions in the private sector but also public institutions (Mayhew, 1979; Breneman, 1981). For some, the strain will be greater and for others less severe. Nonetheless, it is evident that there is an emerging trend to employ merger as a viable interinstitutional arrangement for fiscal, political, social, educational and organizational reasons.

Research on mergers in institutions of higher education has focused on the politics of merger (Golden, 1981; Gordon, 1976; Mingle, Berdahl & Peterson, 1982; Rosenbaum, 1973), on organizational change (Budig, 1969; Chambers, 1982; Foster, 1982; Hodgkinson, 1970; O'Neill & Barnett, 1980), and on case histories of merger (Borton & Whalen, 1981; Bugliarello & Urrows, 1976; Cramer, 1976; Godard, 1982; Matlock & Humphries, 1980; Millett, 1976; Scheuerle, 1979).While most studies are descriptive pieces of changes correlated with organizational, political or historical characteristics, some attention has been given to the impact of merger upon members of the consolidating institutions (Shaw, 1973; Shirley & Peters, 1976).

In their discussion of merger's irreversible totality as "the legal death of one or both parties in the creation of a new one," Bugliarello and Urrows (1976) identify eight factors that require careful consideration: management, money, faculties, students, alumni, the state, academic characteristics and community support. These authors contend that "nowhere does the onset of a merger cause more perturbation than among those whose jobs are at risk" (p. 106). Millett (1976) similarly asserts "any discussion of the merger of two colleges today can only be considered from the point of view of many faculty members as a threat rather than as an opportunity...And administrators, interestingly enough, appear to be somewhat less concerned about their own job security than do faculty members" (p. 8).

In their case study of a university merger, Shirley and Peters (1976) found that an atmosphere of uncertainty and defensiveness existed among members of the faculty and administration affiliated with the acquired institution at pre-and post-merger. Feelings of

compliance, subordination, and role and organizational ambiguity contributed to defensive behavior, felt anxiety and general dissatisfaction reported by the acquired members of the merger pair. Shaw (1973), likewise, found that Madison faculty involved in the State's university merger felt that "the effect of merger...is more in people's minds than in changed practices, but the fears are certainly there" (p. 40). The findings of these two case studies are especially important in view of the fact that the success and viability of merger depends upon the participants' response to the changes demanded by this interinstitutional arrangement.

Though the literature on the behavioral characteristics of merger situations has received some attention in the field of higher education, more attention has been given to this phenomenon by the applied behavioral scientists, who participate in the process as change agents. It is from this body of literature that we gain a better understanding of the dynamics of merger and its relationship to stress, roles, autonomy and power.

Sinetar's piece on "Mergers, Morale and Productivity" (1981) sheds some light on the problems managers and employees face during the process of merger. Her identification of three liabilities associated with merger helps us to better understand the human implications of the event. Organizations contemplating and/or facing mergers should be sensitive to the following: (1) employees view mergers as a major life change, negatively affecting their behavior, (2) the increase of unproductive behavior demands the most refined and strategic kinds of interorganizational communications, and (3) there is an increased need for perceptive human resource planning. She suggests that in order to

reduce employees' fears, combat shock/disbelief,and diffuse anger, management needs to recognize merger as a process demanding planned and preventive action.

A thrust for proactive rather than reactive managerial behaviors emerges in the works of Nadler (1981), Mealiea (1978) and Kazlow (1977). According to Nadler (1981), organizational change presents three major problems---resistance, control, and power--which imply a need to motivate individuals to change, manage the transition and shape the political dynamics of change. Mealia (1978) argues that planned change, when introduced by management, has the potential of blocking employees from satisfying their own need structures. In consequence, employees learn to associate the negative tension states of anxiety, frustration and fear with the introduction of change. He further states that the perceived link between change ad blocked need satisfaction increases the probability that individuals will resist future organizational changes. A set of strategies is developed to help managers break this relationship and reduce employee resistance to change. Kazlow's research (1977) supports the theory that receptivity to change is innovation-specific and a function of the employee's status characteristics and the risks they perceive as a result of their status occupancy.

As Mangham (1973/74) reports "mergers rarely occur without considerable organizational and personal stress which tends to reduce and distort communication and throw relationships into disarray" (p. 133). Blumberg and Wiener (1971) similarly report the existence of tension, role conflict, ambiguity and distrust in a merger situation involving two community organizations. These authors found that

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personal stress was even greater for those individuals whose positions and functions are most affected by merger. Humpal (1971) recommends that merger analyses include two levels of assessment: they are the individual/personal dimension, and the organizational dimension. Such analyses account for the interactive nature of the personal tensions manifested in the merger situation as well as the organizational forces which contribute to greater or less system trauma.

This review of the lieterature serves to show the need to examine merger from an organizational and personal perspective. One relatively unstudied area is participant-merger interactions or the manner in which members of the faculty and administration perceive this phenomenon, experience organizational change and stress, and perform their roles. It is the goal of the present research to show the human-organizational relationship of two public institutions of higher education engaged in a legislatively mandated merger of consolidation.

THE CONCEPTUAL FRAMEWORK

The conceptual framework of the present research is based on an integration of social-psychological stress theory (McGrath, 1970) and organizational role theory (Kahn and Katz, 1966). The concepts of "cognitive appraisal" and "role" are used as the links between the psychological or individual and the sociological or institutional levels of analysis. Of special concern are the organizational effects of merger on the perceptions, attitudes and experiences of merging members of the faculty and administration.

This research examines the relationship between the participants' perceptions and experiences of merger including job satisfaction, role tension and merger anxieties and satisfactions from a pre- to post-merger perspective.

Four stages of events characterize merger as a stress-inducing phenomenon. As illustrated in Figure 4, this paradigm suggests an expected causal sequence of relationships between characteristics of the organization and the individual.

Figure 4

Merger as a Stress-Inducing Phenomenon

STAGE I	STAGE II	STAGE III	STAGE IV
Merger: Objective Realities	Subjective Perceptions of Merger & Other Organizational Stressors	Psychological Responses and Experiences	Organizational & Individual Consequences

In general, the conceptual model considers the following sequence: (1) the merger event as an objective reality which affects individuals undergoing the process, (2) the reception of the merger event by members of the organization; the process of cognitive appraisal is the link between the participant's perceptions of merger and his/her subjective assessment of the situation, (3) the relationship beween the participant's subjective assessment and his/her psychological stress responses and experiences, and (4) the consequences of these responses for both the individual and merging institution.

Since very little has been written on the perceptions and experiences of participants involved in the merger process, the present research sought to discover what was happening and being

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experienced in the merger situation and disclose significant organizational factors by addressing the questions enumerated below:

1. What are the prevailing organizational conditions and features of the merging institutions at pre- and post-times? What are the organizational differences and similarities between the merging institutions? Which areas need alteration as a result of the merger?

2. How do members of the faculty and administration cognitively appraise the merger at pre- and post-times? Do perceptions of merger as a "marriage of equals" versus "acquisition" change over time?

3. What types of reactions and experiences are reported by the participants in response to their perceptions of the event? Are there changes in the levels of job satisfaction, role tension and merger anxiety between pre- and post-merger? Are these changes more apparent for certain groups?

4. What are the consequences of these responses for both the individual and the newly created system?

METHODOLOGY

A time sampling strategy, with data collections at two points in time, namely, prior to and subsequent to the formal operationalization of merger, was used to compare the two merging institutions and observe changes in the participants' response. The two selected institutions, College X and College Y, were involved in a legislatively mandated process of merging into University Z. Though limited in application, the two merging institutions provide an excellent example of the amalgamation of resources that evolves into a university system and of the impact this process has upon its participants.

At pre-merger, the combined total populatin of 63 administrators and 411 faculty members employed at the merging institutions were sent

a questionnaire designed to assess certain merger perceptions and experiences. Usable questionnaire were returned by a combined total of 32 administrators and 153 faculty, yielding an overall response rate of 40 percent.1 At post-merger, a second instrument was mailed to the 185 respondents who had participated in the pre-merger data collection. Valid responses were received from a combined total of 30 administrators and 130 faculty, yielding an overall response rate of 88 percent.

The participants were classified into three major categories: Institutional Affiliation (College X, College Y), Professional Position (Administrator, Faculty) and Merger Classification (Overlap, Nonoverlap).

The methods of data collection used included (1) Participant Observation and an Analysis of Documents that highlighted the merger realities occurring between pre- and post-merger times, and (2) a Quantitative Close-Ended Questionnaire that assessed pre- and post-merger perceptions ad levels of job satisfaction, role tension, merger anxiety and satisfaction of faculty and administrators in the merger pair.

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1 A pre-merger analysis of sample characteristics in relation to population characteristics indicated that the sample was quite representative: a) 66 % of the population consisted of professional staff at College Y, 55.5% of the sample consisted of College Y respondents; b) 16.9% of the population was female, 19.7% of the sample was female; similarly, 16.8% of the faculty population was female and 18.5% of the faculty sample was female; and c) 24% of the entire faculty population was unenured; 25% of the faculty sample did not have tenure.

A CASE OF CONSOLIDATION

One of the major decisions confronting higher education today is the question of institutional survival. It appears that in attempting to discern the appropriateness of implementing any interinstitutional arrangement in higher education, careful consideration must be given to a variety of factors. The consolidation merger of College X and College Y, two public institutions of higher education, has generated some findings which may have broader applicability to other, similar, mergers. A summary of the major findings based on the questions posed in the conceptual model of this research is presented below.

STAGE I: MERGER - OBJECTIVE REALITIES

What were the prevailing organizational conditions at pre- and post-merger that distinguish the merger consolidation as the objective reality?

Historically, the idea of merging College X and College Y had not been new; for many years the possibility of merger had been discussed by members of the academic and local community and state leaders. It was not until a State Representative submitted the Merger Bill to the State Legislature that merger actually gained significance. The impetus for merger was based on the recognition that a greater service to the community could be provided if the academic programs and services of the two historically independent institutions were consolidated and expanded. Subsequent to the introduction of this Bill, the Governor appointed a Merger Study Commission to explore the feasibiity of merger.

One of the initial tasks of the Merger Study Commission was to contract an external group of consultants to conduct a formal

investigation. Some of the more important findings discovered by these consultants were that (1) College X would only agree to a "marriage of equals" merger; (2) College Y feared that their reputation would be tarnished as a result of merging with College X; (3) a latent distrust and rivalry existed between members of the two institutions; and (4) interinstitutional cooperation had been minimal, if not nonexistent, between the two organizations. Bearing these facts in mind, the consultants indicated that it was appropriate to merge the two institutions into a university given their complemetary nature, geographical proximity and future educational mission. Thus, the results of the "Merger Feasibility Study" led to (a) the official Legislation mandating the Merger of College X and College Y into University Z, and (b) the establishment of a Merger Planning Board whose task was to coordinate and implement the merger.

During this pre-merger phase, members of the faculty and administration at each institution established their own Merger Study Groups to further examine the pros and cons of merger. Both verbal and written channels of communication were established with members of the State Legislature, thus affording the members of the academic community an opportunity to openly express their concerns regarding merger. Both academic communities were in favor of merger prior to the proposed Merger Legislation; however, each institution was concerned about its future role in the merged organization.

In response to the complementary nature of the two institutions at pre-merger and anticipated organizational rivalry between the institutions, the merger became officially implemented. A University Board of Trustees was appointed by the Governor and it, in turn, appointed College Y's former President as "Acting President" of the new University. To some members of the academic community this represented the beginnings of a "merger-acquisition" rather than a "marriage of equals" for it meant not only a continuation of College Y's administration but also an opportunity to assume a dominant role in the merger process. While many were of the opinion that neither President should assume the role of Acting President, some felt that the President of College X would have been a better choice since he held an earned doctorate and was nearing retirement age.

Corroboration of the fact that College Y had indeed assumed the dominant role in the merger process became apparent when the Acting President submitted a memorandum on Reorganization to the Personnel Subcommittee of the Board of Trustees. It was recommended that all key administrative positions, with the exception of the Dean of Administration (the only top level position assumed by a female), be retained by members of College Y's administrative staff and supporting positions of "Associate" and "Assistant" be extended to College X personnel. The proposal demonstrated the subordinate role given to College X's administration by College Y. However, the recommendations were never approved by the Board of Trustees and, as a result, both administrations continued to function and operate as they had prior to merger.

One pervasive feature of the pre- and post-merger environment was organizational ambiguity. This was evidenced by the facts that (a) each institution operated according to its own hierarchical structure of organization, thereby maintaining a duplication of administrative positions and functions; (b) different faculty union contracts perpetuated the existence of disparate and inequitable working conditions, tenure and reward systems, and salary schedules; (c) a single governance system was not established until the new President had been in office for several months; and (d) the operating budgets of the two institutions amplified pre-merger differences and complicated post-merger budgetary requests for the new organization.

After an elaborate Presidential Search Process, the Board of Trustees named an out-of-state candidate as the first President of the merged organization. Approximately 14 months elapsed between the date of official merger implementation and the inauguration of the President. During this time, duplicating academic departments were reorganized into single units and some College X administrators left their administrative positions for faculty appointments. The new President resolved duplicating administrative positions, union contracts and the governance issue within several months. Another indication of College X's subordinate role was evidenced in the new Table of Organization which assigned former College Y personnel to most of the top-level administrative positions. Clearly, the two year lapse of duplicating positions and the final Table of Organization had an affect upon the experiences of all participants, but undoubtedly more so for College X respondents.

STAGE II: SUBJECTIVE PERCEPTIONS OF MERGER

How did members of the administration and faculty in the consolidating institutions perceive the merger event at pre- and post- merger times?

The historical realities and changes inherent in the merger process seemed to influence the cognitive appraisals of the participants towards te merger event. Members of both institutions recognized greater community service and the improvement of the academic environment as the most salient reasons leading to merger. The Merger of College X and College Y was seen as an opportunity to enhance the institutions' reputation both locally and nationally. Presidential search, university organization, and salary inequities were overriding concerns for College X respondents. During the pre-merger phase, there was considerable trust by College X participants that an equalization process would occur shortly after the operationalization of merger. A strong impression emerges from an analysis of events that the delay in equalizing conditions of work and salary structures represented a "merger-acquisition" rather than a "marriage of equals" merger. This merger perspective appeared to be borne out in the data on (a) institutional perceptions where College X participants felt that their College Y counterparts held their institution in low esteen, and (b) the switch in merger perceptions of College X respondents from a "marriage of equals" at pre-merger to an "acquisition of College X by College Y" at post-merger.

STAGE III: PSYCHOLOGICAL RESPONSES AND EXPERIENCES

What types of psychological reactions and personal experiences are reported by the participants in response to their perceptions of the merger event?

Both the historical realities of merger and the participants' appraisal of the process directly related to the manner in which they experienced organizational change. The major research predictions were based on pre- to post-merger changes in the levels of job satisfaction, role tension, merger anxiety and merger satisfaction. It was anticipated that there would be differences in the levels of exeriences for the merger classified (Overlap versus Non-Overlap), institutionally affiliated (College X versus College Y) and professional status (Adminstrator versus Faculty) groups. In reality, differences were detected for these three groups although some were more significant than others.

The most significant finding was the pre- to post-merger change noted for College X respondents. As has been noted, the historical conditions of merger and the merger-acquisition perception contributed to the negative experiences reported by College X respondents. Greater job dissatisfaction, increased role tension and merger anxiety, and decreased merger satisfacion at post-merger were in line with the reality that College X had been the acquired member of the merger pair. The emerging picture of an "acquisition merger" under the guise of a "marriage of equals" had a great impact upon the experiences of College X participants. As expected, these reported experiences substantiated the Darwinistic notion inherent in mergers

that the "strong survive and the weak become merged" (or acquired). Thus, institutional affiliation served as the most powerful indicator in explaining experiential differences between groups.

The overlap condition also produced increased role tension and decreased overall and extrinsic job satisfaction at post-merger. These findings also were expected given the reality that persons in overlapping academic departments and/or administrative positions would become the "acquirer" or the "acquired" as a result of reorganization. Somewhat surprising at first was the finding that nonoverlap faculty reported increased merger anxiety and dissatisfaction. While it may be that nonoverlap respondents are not directly affected by the organizational demands placed upon their overlap coleagues, they are nonetheless influenced by the changes affecting their instituional membership.

Finally, members of the administration seemed to experience the merger more negatively over time as evidenced in their reports of increased merger anxiety and dissatisfaction. This is not unusual since administrative reorganization took the longest period of time. However, its toll was greater for College X administrators who indicated decreased job satisfaction with both intrinsic ad extrinsic aspects of their work situation.

There can be no doubt that the most salient determinant of the effects of merger is institutional affiliation which serves to differentiate the ways in which individuals experience merger and the dominant-subordinate roles played by them in the merger process.

STAGE IV: CONSEQUENCES OF MERGER

What are the consequences of the responses for the participants and the newly merged organization?

Merger is a complex process whose intended goals often conflict with actual achievements. In the present case, merger was to represent a "marriage of equals" or a consolidation merger. This suggests that the merging organizations should have been on equal par with each other prior to merger implementation. In truth, inequalities were observed between the two institutions with respect to size, budget appropriations, staff, salary structures, working conditions and governance. These organizational disparities were to be resolved during the merger process in order to guarantee a "merger of equals." However, given the financial status of the State, appropriate monies were not allocated to the new University and, this, in turn, perpetuated an inequitable situation which contributed to a "merger-acquisition." First, it has been shown that subsequent to implementation, merger did not produce the qualitative and quantitative funding of programs and budget as anticipated by members of the merger pair. Secondly, while this research did not examine the perspective of merger from the view of state policy makers, it is likely that their objective to reduce duplicating costs and programs probably was met.

More importantly, the delay in resolving organizational ambiguities and inequities had detrimental effects upon the professional staff during the pre- and post-merger process. Specifically, perceptions of college X as the "acquired" member of the merger pair and college Y as the "acquirer" resulted in different merger experiences. Thus, the consequences of merger for the participants are manifested in the post-merger reports of job dissatisfaction, merger anxiety, role tension, and merger dissatisfaction. These experiences were more pronounced for College X participants--- or the acquired members of the merger pair. While the respondnts indicated that these experiences were not helpful to them, we do not know the extent to which they affected actual work performance.

AREAS FOR FURTHER STUDY

At the institutional level of analysis, further research might determine (a) the manner in which institutional motivations affect the process and intended goals of merger, (b) how the ostensible philosophy of merger (e.g., consolidations, dissolutions/acquisitions) affects the long-range outcomes, and (c) what influences the merger process; that is, how long does merger take to actually become implemented and what accounts for differences in different merger situations.

At the individual level of analysis, the determination of productive and non-productive levels of tension is a complex question that requires further investigation.This research did not make this determination; however, excessive amounts of tension may have adverse affects upon individuals who, in turn, influence the effectiveness of the organization's operation. While stress studies in industry have been performed, this is a new field in higher education.

Merger Planning Boards, community leaders, members of the legislature and institutions involved in the process of merging should be alert to the group differences found in this study.The findings are suggestive of the types of groups who will experience merger in a negative way. Further research might identify other tension prone groups such as females or minority group members.

The impact of merger upon certain groups of respondents justified addiional research. Attention needs to be directed not only to "acquired" groups, either departmentally or institutionally, but also to those groups experiencing the largest amount of change after merger (e.g., nonverlap respondents). Since this reserch was basically quantitative in design, qualitative data should be gathered to highlight the underlying reasons for specific merger experiences. In-depth interviews would appear appropriate for substantiating quantitative findings with qualitative material.

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